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INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE
RUEHAD/AMEMBASSY ABU DHABI 1057
RUEHWN/AMEMBASSY BRIDGETOWN 0007
RUEHKL/AMEMBASSY KUALA LUMPUR 0011
RUEHMK/AMEMBASSY MANAMA 0583
RUEHMS/AMEMBASSY MUSCAT 0022
RUEHDE/AMCONSUL DUBAI 0518
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C O N F I D E N T I A L SECTION 01 OF 02 SANAA 001123

SIPDIS

DEPT FOR NEA/ARP ANDREW MACDONALD AND NEA/RA STEVE SOUCEK
OSD/POLICY FOR BRIAN GLENN
NSC FOR AARON JOST
USCG FOR IPSED MIKE BROWN

E.O. 12958: DECL: 06/17/2019

TAGS: [EIND](#) [EPET](#) [ETRD](#) [EWWT](#) [ECON](#) [PTER](#) [MCAP](#) [MY](#) [AC](#) [MU](#)

AE, YM

SUBJECT: PIRATES SEIZE YEMEN LNG CHARTER VESSEL OFF OMANI
COAST

REF: A. SANAA 1064

[1](#)B. SANAA 936

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Classified By: Ambassador Stephen A. Seche for reasons 1.4(b) and (d).

[1](#)1. (C) SUMMARY: Pirates seized an empty cargo ship under contract with the Yemen Liquefied Natural Gas Company (YLNG) on June 12 off the coast of Oman. The ship was returning to Jebel Ali, UAE, after unloading a shipment of ethylene, a highly flammable chemical compound, at the Yemeni port of Belhaf. The site of the attack, roughly 1,400 km from the nearest point on the Somali coastline, caught YLNG officials off guard. YLNG, despite lacking hard evidence, suspects collusion between ROYG authorities and the pirates and is worried about the safety of an upcoming ethylene shipment in mid-July. Post has forwarded a YLNG request for a U.S. Navy escort for this shipment to NAVCENT. END SUMMARY.

YLNG SHIP SEIZED AFTER UNLOADING HAZMAT IN YEMEN

[1](#)2. (C) A 50-meter long cargo vessel chartered by a Yemen Liquefied Natural Gas Company (YLNG) contractor was seized by pirates in Omani territorial waters, less than 20 km away from Ad Daffah, Oman on June 12, YLNG Security Manager Gilles Chalancon told EconOff on June 15. The Antiguan-flagged Charelle was returning to Jebel Ali, UAE after unloading a shipment of liquid ethylene at the YLNG natural gas liquefaction plant at Belhaf on June 8. (Note: Ethylene, a highly flammable chemical compound under heavy compression when transported by ship, is a key ingredient in the LNG refrigeration cycle that turns pipeline gas into exportable LNG. End Note.) The Charelle, whose location is being tracked by YLNG using an onboard electronic tracking device, had no attack countermeasures and the crew was unarmed. While expressing relief that the ship did not contain hazardous materials when it was seized, YLNG officials are extremely worried that the second of the two planned ethylene shipments from Jebel Ali to Belhaf, scheduled for mid-July, could suffer the same fate. "If pirates took control of an

ethylene shipment, they could accidentally cause an explosion or intentionally transfer the HAZMAT to third-parties," Chalancon told EconOff.

THREATS TO SHIPPING COULD ADD TO STARTUP DELAYS

13. (C) If the UAE-based shipper, Gulf Agency Company, refuses to deliver a second planned ethylene shipment to Belhaf because of piracy fears, Yemen's natural gas export launch would be delayed "months" until a new supplier can be found (REF A), YLNG Shipping Manager Jean Yves Chantreau told EconOff on June 17. The seizure of the Charelle is the second YLNG vessel to be attacked by pirates: a Malaysian-flagged YLNG-contracted tugboat was seized by pirates in December 2008 and taken to Somalia. As of mid-May 2009, the Malaysian vessel was still docked at a Somali port, but the crew had been freed, according to Chalancon. YLNG is also increasingly concerned with the safety of the 12 ships that eventually will transport LNG from Belhaf to the U.S. and South Korea. YLNG's fleet of LNG tankers, each built at a cost 10 times that of a crude oil tanker, represent an attractive target for pirates, according to YLNG Deputy General Manager Karim Abuhamed. Pirates attacked but failed to seize an Omani-origin LNG tanker near Bab al-Mandab in the Red Sea on June 15, Abuhamed told EconOff, because the tanker was sailing too fast for the pirates to climb onboard.

CITING TIMING, YLNG SUSPECTS INSIDE JOB

14. (C) Lacking any hard evidence, YLNG nonetheless suspects that ROYG authorities (NFI) tipped off the pirates operating off the Omani coast regarding the Charelle's schedule and

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route. "The site and timing of the attack are just too perfect," Abuhamed told EconOff on June 17. "The ship had just left its YNAV escort and pirates don't normally operate in this area." YLNG relies heavily on the ROYG for security (REF B) at the Belhaf facility. A Yemeni Navy (YNAV) brigade is stationed around the plant perimeter and YNAV vessels escort YLNG vessels, including the Charelle, from Belhaf to the end of Yemeni territorial waters.

COMMENT

15. (C) The site of the Charelle attack, roughly 1,400 km from the nearest point on the Somali coast, reveals a more impressive operational capacity than that of previous Gulf of Aden piracy incidents. Recent increases in shipping insurance premiums on cargo traveling through the Gulf of Aden are unlikely to put much of a dent in YLNG's profits, owing to the net value of the LNG cargo being transported and the already high LNG tanker charter costs (approximately USD 80,000-100,000 per day). The location of the attack clearly caught YLNG officials off guard and the company is now scrambling to find a security solution for future HAZMAT shipments. YLNG has requested a U.S. Navy escort from Jebel Ali, UAE, to the territorial water boundary between Oman and Yemen for its next ethylene shipment in mid-July. Post forwarded this request to NAVCENT in Manama on June 15. END COMMENT.
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